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The American Observer

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A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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WASHINGTON, D. C.

OCTOBER 12, 1936

Social Security Act Made Campaign Issue

Landon Criticizes Administration
Program of Unemployment and
Old-Age Insurance

NEW DEAL DEFENDS MEASURE

Both Parties in Favor of Principles of
Social Security but Disagree on
Specific Measures

The social security question has become one of the outstanding issues of the presidential campaign. This is a rather surprising development. It had been thought that the problem might be kept out of politics. Both parties were in agreement on the general principle that there should be social security legislation of some kind, and they have been agreed that certain changes in the present law were desirable. On that basis it appeared possible that questions relating to old-age insurance, unemployment insurance, relief for the aged poor, for the blind, for mothers in need, and for crippled and dependent children, might be dealt with in a nonpolitical way. But certain differences between the parties have come prominently into the foreground. Governor Landon has attacked basic features of the present law and has declared in favor of scrapping them. Former Governor Winant of New Hampshire, chairman of the Social Security Board and the representative of the Republican party on that body, has resigned in order that he, as a private citizen, may answer the Landon attack and support the law. These dramatic developments have made the issue one of first importance.

Provisions of Act

In order that we may understand the nature of the issue which is involved, it will be necessary to have in mind the main provisions of the Social Security Act. There are 10 separate provisions in the act, but they may be grouped into three general divisions, as follows:

1. Provisions whereby the national government may help the states to give aid to old people who are in need, to the blind, to crippled children, to dependent children, and mothers who need help. The national government does not distribute the relief in these cases. It leaves all that to the states. The plan is simply that if any state arranges to give assistance to the classes which have been named, the national government will help the state on a 50-50 basis up to a certain specified amount.

The most important provision in this part of the act is that relating to old-age pensions. The assistance, it will be noted, is given only to those who actually need it. The plan is one of poor relief. The state is expected to decide upon the tests by which it shall be determined whether an applicant for assistance really deserves it. The money for the national government's part of this relief work comes from the treasury and is raised by general taxation.

These features of the law are not a subject of controversy. They are generally accepted as wise governmental policy. Governor Landon, as well as President Roosevelt, favors them, and the governor would make them the basis of the entire social security program. In fact, he would eliminate practically all the rest of the law.

2. The second important provision of the

(Concluded on page 8)



—Resettlement Photo by Rothstein

SECURITY FOR OLD AGE IS A PRINCIPLE ACCEPTED BY BOTH PARTIES

Christopher Columbus

(Since October 12 is Columbus Day we are reprinting a poem from "A Book of Americans" by Rosemary and Stephen Vincent Benét. Farrar and Rinehart.)

There are lots of queer things that discoverers do
But his was the queerest, I swear.
He discovered our country in One Four Nine Two
By thinking it couldn't be there.

It wasn't his folly, it wasn't his fault,
For the very best maps of the day
Showed nothing but water, extensive and salt,
On the West, between Spain and Bombay.

There were monsters, of course, every watery mile,
Great krakens with blubbery lips
And sea serpents smiling a crocodile smile
As they waited for poor little ships.

There were whirlpools and maelstroms, without any doubt
And tornadoes of lava and ink.
(Which, as nobody yet had been there to find out,
Seems a little bit odd, don't you think?)

But Columbus was bold and Columbus set sail
(Thanks to Queen Isabella, her pelf),
For he said "Though there may be both monster and gale,
I'd like to find out for myself."

And he sailed and he sailed and he sailed and he SAILED,
Though his crew would have gladly turned round
And, morning and evening, distressfully wailed
"This is running things into the ground!"

But he paid no attention to protest or squall,
This obstinate son of the mast,
And so, in the end, he discovered us all,
Remarkng, "Here's India, at last!"

He didn't intend it, he meant to heave to
At Calcutta, Rangoon, or Shanghai.
There are many queer things that discoverers do.
But his was the queerest. Oh my!

China-Japan War May Break Soon

Rise of Chinese National Feeling
and Unification of Country
Make Resistance Likely

LATE KILLINGS BRING CRISIS

Japanese Send Troops and Warships and
Make New Demands but Chinese Stiffen Attitude

As this is being written, Japanese marines with pistols in hand or carrying rifles with fixed bayonets are patrolling the streets of part of Shanghai, the most important city and port of China. Scores of Japanese military motorcycles, carrying machine guns, are stationed at central points in the "Japanese section" of the city. Barbed wire and sandbags have been prepared, ready to be thrown up in barricades across the streets at a moment's notice. In the river nearby are a dozen or so Japanese warships, large and small. The Japanese military authorities, in brief, have taken entire military control of an important section of this great city, and have prepared completely for swift and effective fighting whenever they think necessary.

Chinese Fleeing

Terrified by this military occupation of the places where they live, tens of thousands of Chinese are fleeing from the area which the Japanese have taken over. They have gathered such of their belongings as they could get together quickly, tied these into bundles, hoisted them onto their backs or loaded them into rickshas or on carts, and started off for parts of the city where the Japanese have not taken control. Hundreds of shopkeepers have closed and barricaded their doors, and scores of them are moving their stocks of goods into other parts of Shanghai—anywhere to get away from the Japanese soldiers and the terror aroused by memories of what happened when fighting broke out in this same section in 1932, killing thousands and destroying houses, shops, and factories worth nearly a billion dollars.

Shanghai is the most conspicuous center of the new crisis which has developed between Japan and China in the last three weeks, but the fear of serious trouble is great in all the cities of China where Japanese live, from Tientsin and Peiping in the north, through Hankow and other ports on the Yangtze River in the center, to Canton and Pakhoi in the south.

Following the killing of several Japanese during the month of September, the Japanese sent more soldiers to the important centers, and put a good many more of their warships than usual into Chinese waters. These moves aroused still further the anti-Japanese feeling of the Chinese, which in turn led to the sending of more Japanese soldiers and warships, and that made the Chinese still more angry. So things moved in this vicious circle of pressure, ill feeling, more pressure, and more ill feeling until now the crisis has developed very close to the explosion point.

Perhaps by the time this issue of THE AMERICAN OBSERVER gets into the hands of its readers, fighting actually will have started, at Shanghai or some other Chinese city, between Japanese and Chinese soldiers. If not, there is good reason to expect that it will start before long. The Japanese government already has presented new demands to the Chinese government which,

according to the reports, call for a great increase of Japanese influence in China. The Japanese military authorities are prepared and apparently are determined to back up these demands with whatever force may be necessary to compel the Chinese government to yield.

Every time the Japanese have made a new move of expansion, or have presented new demands, in the last few years, the Chinese authorities in the end have yielded, though they have tried to whittle down all they could what they gave the Japanese. But this time it looks as though the Chinese might refuse to yield, and even might hit back.

Two Reasons

One reason for this is that the anti-Japanese feeling in China has become very much stronger than it was, and the Chinese people are demanding very emphatically that Chiang Kai-shek, the head of the Chinese government, fight the Japanese. The other is that Chiang and the government have been gathering war equipment and supplies, and now, for the first time, have enough of the things necessary for fighting to stand some chance of making a real fight against the Japanese. In other words, this particular crisis in the relations between China and Japan quite possibly will develop into open war, as none of the many other crises have since the war between the two countries in 1894-95, not because the Japanese military authorities suddenly have started on a new program of expansion, but because the Chinese have become so angered by Japanese aggression that they are determined to resist at last and because they are much better prepared to resist than they ever have been before.

In a recent issue of *THE AMERICAN OBSERVER* (September 14), we discussed the situation in Japan, and gave the reasons why the Japanese military leaders might feel that some big new drive into China was necessary now so that they may keep control at home by distracting the people's attention from their troubles. This week, let us see what has been happening in China, which makes it probable that the Chinese now will meet Japanese armed force with armed force of their own, and makes it certain that they will do this in the not very distant future even if they do give in to the Japanese demands this time.

The Old China

Through the long centuries of Chinese history, the peasant living in his small village, the small shopkeeper in town or city, the guild workman, the porter, and the others who made up the millions on millions of the common Chinese neither knew nor cared anything about "China" as



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CHINESE SOLDIERS ARE BETTER EQUIPPED TO FIGHT JAPAN THAN THEY FORMERLY WERE

a country separate from others or as a "nation" of which they were a part. For them, the government was simply a tax-collecting machine with which they had as little as possible to do. They had to work hard to make a living; running the government was the business of the officials. To the ordinary peasant, a man from another province was almost as much a "foreigner" as a man from halfway around the world. If soldiers from some other country came in, drove out the emperor, and took control of the government, it made no practical difference to most of the people, and because they knew nothing about China as a "nation," they had no feelings of "na-

tional pride" to be disturbed by foreign conquest of their country—especially since they did not think of China either as a country or as their country in the same way we think of the United States as a country and ours.

The area ruled by the emperor was also large, and it was hard to get from one part to another. The people in each section, even in each village and each ward in each city, managed their own affairs in their own way. Anything like the strong central governments which western countries have developed would have seemed quite undesirable, entirely unnecessary, and even completely un-understandable to most of the Chinese as recently as 50 or even 25 years ago. If you had talked of such things to an ordinary Chinese peasant on his farm, or said that he should feel "humiliated" because the westerners were forcing themselves onto China, he would simply have stared at you and wondered whether your particular kind of craziness was likely to become violent.

Great Changes

But now all this has changed very greatly. Thousands of young Chinese have been to missionary schools in China, or studied western history and politics in Chinese schools, or gone to other countries to study, and in these ways have picked up western ideas of nationalism and national pride. These young men now have grown up and are managing China's affairs. Furthermore, railroads, steamship lines, telegraphs, buses, airplanes, and other means of quick communication have been put into use. They have spread the new ways of thinking and of doing things thickly over the land, and have carried them even into more remote sections. Today you will find, even way up the small mountain valleys in the far interior, not only kerosene lamps and wrist watches, but a feeling for China as a nation and resentment against the Japanese because they have been forcing themselves into China.

In these two vital ways China today is very different from what it was even a few years ago. The railways and other means of quick and cheap communication have tied the country together as it never was before—just as these same things tied the various parts of the United States together. The spread of national self-consciousness has created a common feeling of unity in the mass of the people such as never existed before. The Chinese still have not gone nearly so far in these directions as we have in the United States. But they are much further along than they were even five years ago, when the Japanese troops moved to occupy China. For the first time in Chinese history, thanks to the railways and other means of communication, it now is physically possible to have a strong central government in China. And, also for the first time, the Chinese people have reached the point where they feel the need of such a government to be able to resist aggression, and really care whether the government does resist.

Better Prepared

Quite a number of Chinese demanded that the Chinese government fight back when Japanese soldiers moved in Manchuria in 1931. Every new Japanese advance since then has added to the number of those making this demand. But Chiang Kai-shek, head of the government, has argued that it would be disastrous for China to fight Japan until she is better prepared. He has said that the country first must be united politically. So he has worked to put down the Communists and to bring one province after another under the authority of the Nanking government, meanwhile yielding as little as possible to the Japanese but avoiding an open break with them. During this last summer, he finally drove the last of the Communist bands far enough off so that they could not make more trouble, and got the two southern provinces of Kwangtung and Kwangsi to agree at least to work with instead of against Nanking. He thus, at last, can be reasonably sure that if the Nanking government gets into a war with Japan, others in China will not start fight-



Courtesy New York Times

JAPAN'S GROWING HOLD ON CHINA

ing among themselves or against Nanking. The tremendous growth, in the past few months, of the demand that the government fight Japan also makes unity in China, in case of a war, more sure.

The Chinese government is also in a better position than it has been to fight Japan for another important reason. During the long series of campaigns against the Communists, in the last six years, Chiang Kai-shek had a hard time getting enough money and military supplies to keep his armies going. It was impossible to build up any reserves. But without large reserves of supplies and of money, it would be impossible to do any real fighting against the well-equipped and well-supplied army that Japan would send to China. Now, however, according to reliable reports, the Nanking government has succeeded in getting together quite large supplies of ammunition and other war materials.

Chiang has said all along that he would resist Japanese aggression just as soon as the country was united and in a position to make any sort of fight. It is now in that position. This is one important reason why the Nanking government has been much stiffer in the face of the Japanese demands of the last few weeks than it was when the Japanese made demands earlier. It has even met the new Japanese demands by making demands of its own on Japan.

"Much Better or Worse"

This also is one reason why the Japanese military leaders are likely to push forward just now. They know that time is on China's side, that the longer an open war with China is postponed, the harder it will be for them to win. A good many of them have been saying right along that Japan should have gone in and taken control before this. The Japanese military almost certainly would have done this, if they had had any reasonable excuse—and they would have had such an excuse if Chiang Kai-shek had listened to the demands of the Chinese who have been saying that China should fight.

These are the reasons why the Japanese foreign minister was simply stating the facts when he told the foreign newspapermen in Tokyo, on September 28, that "Chino-Japanese relations will be either much better or much worse" in the near future. From the Japanese military point of view, they can become better only if the Chinese government submits completely to the Japanese demands. But if Chiang Kai-shek did this, he would have a widespread and violent revolution on his hands. On the other hand, if he does not yield, and especially if he makes any move to get back even a little of what the Japanese already have taken, the Japanese military apparently are determined to use armed force. The Japanese foreign minister, in that same statement to the foreign newspapermen, definitely threatened this, when he said that relations between his

country and China "will not be permitted to drift ambiguously as in the past."

If open war does start, there is little doubt that the Japanese would be able to capture the principal ports of China in short order. They might be able to penetrate a little into the interior. But that would be just the beginning of their troubles. Really to control China, they would have to put garrisons in every little town all over the country—an impossible job. They would be compelled to fight a long-drawn guerilla warfare in which every advantage would be on the side of the Chinese. Their difficulties would be infinitely greater than they have been in Manchuria.

To paraphrase a Chinese proverb: The Japanese have caught the tiger by the tail. They cannot let go. Their only hope is to get on the tiger's back. But the further up the tail they push their hold, the nearer they get to the tiger's claws.

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District of Columbia, ss:

Before me, a Notary Public in and for the District aforesaid, personally appeared Walter E. Myer, who, having been duly sworn according to law, deposes and says that he is the Editor of *THE AMERICAN OBSERVER*, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, and business manager are: Publisher, Civic Education Service, 744 Jackson Place, Washington, D. C.; Editor, Walter E. Myer, 744 Jackson Place, Washington, D. C.; Business Manager, Ruth G. Myer, 744 Jackson Place, Washington, D. C.

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3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of the total amount of bonds, mortgages, or other securities are:

WALTER E. MYER, *Editor*
Sworn to and subscribed before me this
26th day of September, 1936.

Louise Gately Warman
Notary Public, District of Columbia.
My Commission expires September 1, 1941.

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AROUND THE WORLD

Spain: The Spanish civil war has reached a critical stage, with the rebels now centering their efforts upon the capture of Madrid. The fascist leaders had hoped that the capital would fall into their hands after several weeks of siege, but it appears that they will meet with determined resistance from the government. Loyalists have become convinced that had they been better organized, the capture of Toledo would have been averted. With the danger of a rebel victory each day becoming more real, the need for discipline in the government ranks has been stressed. For once petty squabbles are giving way before a united movement to have every able-bodied citizen pitted against the rebel advance.

It is open to serious doubt, however, whether the government will now be able to put down the insurgents, whose rapid progress to the capital reveals a military efficiency which it will be hard to equal. The rebels themselves feel that the war is about over and they have prepared to take over the powers of government. As dictator they have appointed General Francisco Franco, leader of their forces. General Franco is 42 years of age, short, rather plump, and said to be popular among his troops. Throughout his career he has been identified with the army. When still a minor he had been made a captain. At 30 he was a general. He made a name for himself when he led the Foreign Legion against the Riffs in Morocco. Should he succeed in establishing himself in Madrid, he will be sternly opposed by the workers and miners of Asturias whom he ruthlessly suppressed in 1934 when they revolted against the conservative régime.

* * *

Arabia: One strange corner of the earth which was known to the ancients and is

scratch an existence from the stony soil. Indigo is another product of the region, but the only manufacture is that of curved silver-handled daggers which the men carry.

* * *

Korea: Japan annexed Korea in 1910, just a month and a half more than 26 years ago. The Japanese have been in absolute control ever since. They have built roads and railroads, opened schools, made the country cleaner, provided hospitals, and in various other ways done a good deal to improve the outward condition of the people. But what do the Koreans themselves think of Japanese rule? They have had much done for them. Do they feel friendly to the masters who have done these things? The question has a direct bearing on what may be expected, as far as the common people are concerned, in Manchuria, where Japanese have been in control for five years, and in other parts of China, which the Japanese apparently intend to take over.

The best answer to whether the Koreans like the Japanese is given by the fact that in spite of all the Japanese have done to "help" them, Japan still is compelled to keep so large a police and military force in Korea that the Japanese government has to spend in administering the country between 10 and 15 million dollars a year more than it gets from the country in taxes and other revenues.

A thousand years and more ago, when the Japanese were just beginning to be civilized, Korea was a well-organized and highly cultured country. For the past seven or eight hundred years, however, it had a weak and very corrupt government. The condition of the people was very bad. Nevertheless, most of the people, who were and are farmers, were much more interested in getting a living from their farms and in their local affairs than in the government.

France: In spite of the fact that Premier Leon Blum's devaluation of the French franc was regarded as vital to the preservation of the nation's credit by most foreign authorities, many groups in the French Parliament opposed the measure. Communists were against it because it would mean higher prices and reduced purchasing power for the workers; they demanded

has even reached into foodstuffs. Thus, while the population has increased several million since 1933, imports of food have decreased by 3,000,000,000 marks. The result is that even wealthy families find it difficult to obtain meat or butter.

According to a correspondent of the *New York Times*, prices of foodstuffs are sky-high in Germany today. Flour and sugar



—Photo by G. V. Hett

IN KOREA A Korean and his grandchildren watch curiously as they are photographed in front of their house.

a flexible wage scale which could be adjusted to offset the rise. Conservatives fought it on the ground that it gave the Blum government almost unlimited control over French finances, and consequently over French business. They were afraid that one devaluation would merely pave the way for others, and that from one month to the next industrialists would not know what their production and labor costs were going to be.

After the original bill had been altered many times in the Senate and Chamber of Deputies, a compromise measure giving the premier more limited powers than he had asked was passed by a narrow margin. At once Blum acted to keep prices down by reducing tariffs generally, and by abolishing import quotas on 100 manufactured articles and commodities. Competition from foreign goods admitted with lower duties is expected to check any rising tendencies of French prices, while the cheaper franc will enable exporters to enter the world market on equal terms with others.

The legislative battle was fought with words, but on the boulevards sticks and stones came into play on October 4, as thousands of Fascists and Communists took the occasion as a signal for rioting. The Communists were in the majority, however, and were so well guarded by police that no serious damage was done. On one earlier occasion a heavy rainstorm dispersed a Fascist demonstration, while on another the opposing forces called a truce when they discovered that they were holding up a funeral procession. They took off their hats and stood with bowed heads while the cortège passed, and then began rioting again.

* * *

Germany: Though the Nazi régime has succeeded in a few years in building up a powerful army and in restoring to the German people a certain degree of self-confidence, it has failed as yet to find a solution to the more pressing economic problems. The government has made every effort to increase its export of manufactures in order to obtain currency with which to buy the raw materials necessary for perfecting the war machine. This export trade

cost nearly three times as much as they do in the United States, while butter and eggs are twice as expensive. How serious this is, the correspondent adds, may be further seen in the fact that the average wage of the German worker is only \$11.12 per week.

* * *

England: The breathless pace of European politics during the past few years has left British statesmen in somewhat of a daze, not certain what policy to pursue. Should they place their faith in the League of Nations and trust that this body will manage to guarantee the peace of the continent? Should they strengthen their friendship with France? Or should they seek to cultivate the goodwill of Hitler, who they feel was the key to the European situation?

British policy favored one course at one time and another at another time, according to the situation of the moment. But it has become clear that the British leaders are weary of relying upon the uncertain course of affairs on the continent. They have become convinced that to feel secure Britain must strengthen her own defenses. Returning from an inspection tour of the Mediterranean, for example, Sir Samuel Hoare, First Lord of the Admiralty, recently told the newspapers his government would strengthen its position in the Mediterranean and be prepared to defend its colonies against any attempt to seize them. He further intimated that the island of Cyprus may be made into a naval base. Following his remarks, which were taken as a warning to Mussolini, Neville Chamberlain, who is next in influence in the cabinet to Prime Minister Baldwin, at a meeting of Conservatives, described the government's plan for an air force which should be second to none. He added, significantly, that such an air force should be "a sobering thought to any ruler who might be contemplating aggression against his neighbor."

* * *

Violating the Treaty of St. Germain, which forbids compulsory military service, the Austrian government has drafted 8,000 young men for her army, increasing its active strength to 50,000 troops.



© Wide World

LAST STAND
Loyalist followers in Madrid march in mass funeral service for loyalist leaders killed in the civil war. The capital city has now been surrounded by the rebels.

being rediscovered by modern travelers and explorers is the land of the Hadhramaut, in the southwestern corner of Arabia. It is a barren country, where vegetation is found only on the river banks, but it is full of reminders of a distant past. Popular legend places the nest of the Phoenix somewhere in the region, and the ancient caravan routes which carried incense to the Orient in the days of the Egyptian Ptolemies are still traversed by donkeys and camels today.

Tobacco raising is the chief pursuit of the tribes along the coast of the Gulf of Aden, while the high inland plateau is inhabited only by nomadic tribes, who, besides fighting and trading, somehow manage to

When the Japanese took control in 1910, therefore, only comparatively few were interested. But the Japanese set out vigorously to change the Koreans into Japanese, not only by stopping the teaching of Korean history and the Korean language in the schools, but also by "improving" conditions for the peasants. This stirred up a great deal of antagonism, which came to a head in a nationwide revolution for a Korean republic, in 1919. The Japanese suppressed the revolution by jailing thousands and shooting hundreds. Since then, nearly two million Koreans have moved to Manchuria to get away from Japanese control.



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STUDY CROP INSURANCE

The committee appointed by President Roosevelt to work out a crop insurance program. Left to right (front row): Wayne G. Taylor, assistant secretary of the treasury; Secretary Wallace, chairman; Ernest G. Draper, assistant secretary of commerce. (Back row): Roy M. Green and A. G. Black of the Bureau of Agricultural Economics; H. R. Tolley, AAA administrator.

Politics

With the President's speech at Syracuse, his first in the campaign as a political candidate, the political fireworks have started full blast in the final drive to win the election. The President was never in a more fighting mood than at Syracuse as he lashed out at his critics and attempted to throw aside once and for all the "false issue" of Communism. Two nights later at Pittsburgh he again talked to the American people in an address sandwiched in between a bitter denunciation of the New Deal by Colonel Frank Knox and a scathing attack by Al Smith who deserted the Democratic party for the campaign and came out flatly for the election of Mr. Landon.

From now on, there will be little but politics on the radio. Last week, both the President and Governor Landon mapped plans for their final whirlwind campaigns. At Hyde Park, Mr. Roosevelt laid plans for a tour that would take him as far west as Denver. He was not expected to go to the Pacific coast, as the region west of the Rockies is considered safely Democratic. He planned to work his way eastward and to wind up the campaign with an address in New York City on election eve. Mr. Landon's plans included a trip eastward, beginning with a speech at Chicago October 9, and additional addresses throughout Michigan, Ohio, and Indiana, all doubtful and highly important states to either candidate.

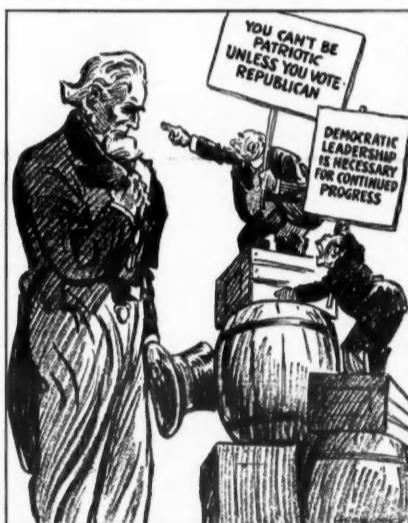
For and Against

Two great American newspapers, whose fairness and independence have won them respect and a good deal of influence throughout the country, have added their voices to those definitely taking sides in the campaign. The St. Louis *Post-Dispatch*, on September 27, urged the election of Governor Landon. The New York *Times*, on October 1, came out strongly for the re-election of President Roosevelt. These editorial statements are of exceptional importance, not only because the two papers have a great deal of influence, but also because they present effectively two views of the fundamental issues in the campaign.

The *Post-Dispatch* says there is just one "overshadowing issue": "whether or not we shall set up in America . . . a government with vast and centralized authority over the economic life of the nation." Mr. Roosevelt has been trying to do just that, it claims. In the NRA and various other pieces of legislation he tried to set up machinery for controlling business in the country which, as the Supreme Court held, went further than the Constitution allows in applying control by the federal government. The rights both of the states and of individual citizens were interfered with. Mr. Roosevelt might have proposed an amendment to the Constitution to permit this extension of federal authority, but instead, according to the *Post-Dispatch*, he has tried to change the actual working of the government by "subterfuge and indirection." Mr. Landon, it says, "has spoken in terms that command respect," for "the preservation of the free-enterprise system, subject to strict regulation to prevent abuses." The *Post-Dispatch* says

nothing else in favor of the Republican candidate. It concentrates on urging the defeat of Mr. Roosevelt, and says that a vote for Mr. Landon will be "the most useful weapon" to accomplish this.

The New York *Times*, on the other hand, sees three principal reasons why Mr. Roosevelt and the Democrats should be returned to power: first, Mr. Roosevelt will be more conservative in a second term than he has been in his first, "in the sense that conservatism means consolidating ground already gained and perfecting measures hastily enacted." Second, it believes that "the President's re-election

THE NATION IS STILL BIGGER THAN ANY PARTY
—Herblock in Berkshire Evening Eagle

will provide insurance against radicalism of the sort which the United States has most to fear," and in support of this it follows much the same line that Mr. Roosevelt took in his Syracuse speech, holding that the political and economic structure must be changed to meet new conditions, and that the way to meet the danger of revolutionary radicalism is by making essential changes rather than by trying to crush efforts to bring changes about. Third, the *Times* believes that "the narrow nationalism for which the Republican party stands today is in itself a policy which, if put into force, would carry us rapidly in the direction both of 'regimentation' and 'radicalism' . . . The best antidote to both regimentation and discontent is a revival of international trade," toward which Mr. Roosevelt and Secretary of State Hull have been working. "That way lies hope. The other leads to eco-

nomic suicide behind a Hawley-Smoot tariff."

Both papers emphasize their confidence in the honesty and real patriotism of both candidates. Each makes it plain that it takes the side it does on fundamental issues rather than on personalities. Because of this, these editorials help a great deal to lift the campaign onto the high level of intelligent discussion where it should be.

The Court Meets

With the opening of another session of the United States Supreme Court last week, the eyes of the nation again turned to the nine justices who have as much to say about the laws of the land as the President and Congress combined, if not more. Despite the fact that the Court, at its session last year, played havoc with many pieces of New Deal legislation, it has by no means passed judgment on the entire structure. Matters as vital as any upon which the Court has yet ruled will come up for action before adjournment in the spring.

Because of the time required for preliminary hearing, the Supreme Court is not likely to hand down any decisions on New Deal legislation until after the election November 3. However, before many months have passed the country will know whether the government has the right to regulate relations between employers and employees, as it attempts to do under the Wagner Labor Act; whether it can provide unemployment and old-age insurance, as the Social Security Act attempts to do; whether the electric power companies and holding companies can be regulated, whether farm mortgages can be refinanced as the government is now doing; in a word, whether most of the New Deal legislation which has not yet come up for judicial review is in line with the Supreme Court's interpretation of the Constitution.

Cheaper Travel

Following the lead of the railroads which were compelled by the Interstate Commerce Commission to reduce their passenger rates last June, the Transcontinental and Western Air, one of the largest of the air companies, has announced a reduction of rates, effective November 1. If the reduction is accepted by the I. C. C., it will be practically as cheap to travel by plane as by train, including Pullman costs. The difference between New York and Chicago, under the proposed change, will be but 71 cents.

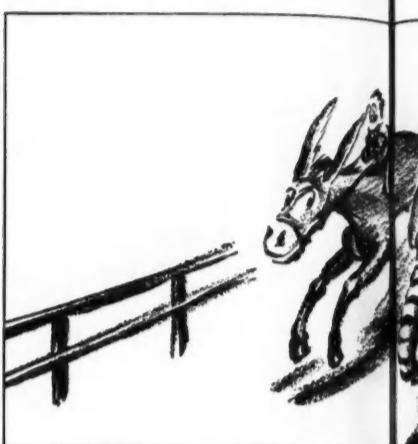
Meanwhile, the railroads seem to be faring well under the rate reductions. The roads which account for 84 per cent of the railway income reported that in August their income jumped \$20,000,000 over a year ago. Of this increase, the eastern railroads—the ones affected by the rate reduction—accounted for \$11,000,000, their income this August being \$33,000,000 as compared with \$22,000,000 a year ago.

U. S. Trade

Year after year, the United States has been selling more goods abroad than it has been buying. An annual excess of exports of merchandise over imports has become the usual thing. This year, it appears, will be an exception, for during the first six months of 1936 imports of goods into the country exceeded exports by \$9,000,000; the first time that such a thing has happened in 10 years. Thus we have what is known in economic lan-

guage as an "unfavorable balance of trade."

Economists have persistently pointed out that our huge excesses of exports over imports in the past have been harmful and have contributed much to the general drying up of



world trade. Time and again they have harped on the fact that, in the long run, no nation can continue to sell more abroad than it buys abroad, for the simple reason that the only way foreigners have of paying for our goods is by selling us their goods. During most of the twenties they did manage to buy more from us than they sold to us, but in order to make payments they had to send us large quantities of gold and, when they did not have enough gold, they had to borrow the money from American citizens. When Americans stopped lending, our exports dwindled to a fraction of their former size and many of the loans could not be repaid. During the last few months however, the trend has been reversed; whether temporarily or permanently cannot yet be seen.

Farmers' Cooperatives

When so much is being done by the federal and state governments to help the farmers of this country, and so much is being said about it in the campaign, it is decidedly worth while to notice the remarkable extent to which the farmers are organizing into cooperatives to help themselves. These cooperative associations not only sell what the farmers produce, they also buy for the farmers a good share of the fertilizers, seeds, machinery, and other things which the farmers need. And in the last few years cooperative organizations, to get electricity for use on the farms, have grown greatly in number.

In 1911 there were about 3,000 farmers' cooperatives in this country. They did a total business, buying and selling, of about \$312,000,000. In the farm year 1934-35, according to a recent report by the Farm Credit Administration, the number had increased to 10,700, or three and one-third times the 1911 number. But the business done had increased nearly sixfold, to \$1,717,000,000. About \$1,280,000,000 of this business in 1934-35 was sales by the cooperative marketing associations. This was nearly one-fifth of the total income of all American farms during that year.

The cooperative movement among the farmers is strongest, both in number of associations and in membership, in the north central states, where about two-fifths of all the farmers' cooperatives are located. But the movement also is well developed in New York and



A DEMOCRATIC VIEW

United States

Doing, Saying, and Thinking

de neighboring states, and in California. In business done, the marketing associations of California, which handle fruit and vegetables mostly, took the lead in 1934-35, with \$180,000,000. New York co-operatives, handling



—Fitzpatrick in St. Louis Post-Dispatch

dairy products mainly, were second, with \$124,000,000, while the co-operatives of Minnesota, dealing in grain and dairy products, were third, with \$122,450,000.

Rural co-operatives have been much the most important clients of the federal Rural Electrification Administration, taking nearly two-thirds of all its loans.

Food Supply

In spite of the serious drought during this last spring and summer, there is plenty of food in the country to feed the American people until a new crop year starts next July, says the Bureau of Agricultural Economics in a recent report. Next summer, however, Secretary of Agriculture Wallace suggests that the problem of a crop surplus may come up again, since the farmers are taking advantage of the excellent conditions for fall plowing and planting which the late summer rains have created. They are putting in record-breaking amounts of winter wheat and other crops that can be planted at this time of year.

Because of the drought, prices of fruits and vegetables especially are expected to go up somewhat during the coming winter and spring, but the Bureau of Agricultural Economics sees no reason why there should not be just as much food for each person in the country as there has been in recent years, especially if the amount usually wasted is cut down. What is happening is that the surpluses of food of various kinds, which had been stored up in the earlier years when more food was being produced than could be sold, are being used up.

Risky Business

Those who saw the motion picture "The Great Ziegfeld" can scarcely be blamed if they have the impression that the business of producing Broadway shows is one of extraordinary glamour and vast profits. But in the October 3 issue of *Today*, another eminent producer, Max Gordon, in an article entitled, "Winner Take Nothing," states that the profession is far riskier than most, and on the whole less profitable. To begin with, the producer's initial problem is to find a play which will be a success, and since four plays fail on Broadway for each one that succeeds, his chances are pretty slim. No matter how

promising the play manuscript may seem, there is no way of predicting its fate until the first reviews appear. Furthermore, it takes about 10 weeks of packed houses to make up the cost of producing even a relatively simple drama, while the more expensive musical comedies must run at least twice as long before getting out of the red. Theatrical workers are the most highly organized labor group in the country, and payrolls for any production are enormous. Even the outstandingly successful "Green Pastures" made a profit to the producer of only three per cent on his investment. Mr. Gordon's heaviest fire is reserved for the state and federal taxes which bear heavily on the theater.

Freedom of Speech

Earl Browder, the Communist party's candidate for the presidency, recently has been the center of two incidents involving the right of freedom of speech guaranteed to American citizens by the Constitution. In one case, that right was secured to him by the action of the Federal Communications Commission, which forced the Hearst radio station at Pittsburgh to sell time on the air to Mr. Browder after it had refused to send out the speech which he had arranged for over an NBC network on August 28. In the other case, he was denied that right when the chief of police in Terre Haute, Indiana, arrested him on September 30, and kept him in jail for 26 hours, to prevent him from making a scheduled address and a talk over the radio there. The Federal Communications Commission took the position that Browder had as much right to buy time on the air and make a speech as any other American citizen, so long as he did not violate the laws in what he said. The Terre Haute police chief said simply that his city would not allow any Communists to talk.

The police chief's action has aroused a good deal of criticism, even from the papers and others that strongly disapprove of communism. Browder, as the candidate of a party which is listed on the regular ballots, and as an American citizen, these critics say, had as much right to make a speech as Roosevelt or Landon. The *New York Times* expressed this general feeling when it said: "We ought to have enough common sense and spirit of fair play not to condemn and penalize peaceful methods of political agitation, even if they aim at setting up a system of government abhorrent to nine-tenths of the American people."

Shipping Troubles

Memories of the long, bloody, and very costly seaman's strike on the Pacific coast in 1934 helped to persuade both the ship owners and the workers at San Francisco to agree to a 15-day truce for further investigation and discussion before starting a tie-up of all shipping at that port when the agreements which ended the 1934 strike expired at midnight on September 30. The owners of practically all the ships which use San Francisco harbor and about 37,000 workers on shore in connection with this shipping would have been involved. The owners wanted to change the 1934 agreements; the workers wanted to continue them. The real disagreement was over the question of whether the owners should be free to hire workers outside of the unions. At the last moment, both workers and owners agreed to go on the old basis for 15 days of investigation by the federal maritime commission, and for another 45 days during which possible new agreements would be discussed. The assistant



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STRIKE LOOMS ON PACIFIC WATERFRONT

Discord between longshoremen and ship owners threatens seriously to disrupt shipping along the west coast. The situation may become particularly acute on the San Francisco docks pictured above. A truce has been called to make possible negotiations for avoiding the strike.

secretary of labor and the newly appointed maritime commission had worked desperately to get this truce agreement.

There have also been shipping troubles on the Atlantic coast. At New York on October 1, most of the seamen on the *President Roosevelt* went on a one-day strike which kept the ship from sailing. The strike was to force the owners to recognize the new officers whom the seamen had elected for their organization.

NYA Program

In the September 28 issue of *THE AMERICAN OBSERVER* a note on page 8 describing the



REPUBLICAN VIEW OF DEMOCRATIC SPENDING PROGRAM
—Russell in Los Angeles Times

work of the National Youth Administration declared that hourly wage rates paid to students under the program would be 40 cents an hour. The information on which this statement was based was incorrect. The hourly rate is left to the discretion of school principals.

In Brief

There are some 2,000,000 migratory laborers in the country who roam from one place to another in search of work. They are accompanied by about 200,000 children, some of them wandering as much as 1,500 miles during a year. In some states, notably California, an education program for these children is provided, although 32 states have as yet done nothing to help this class of the population.

* * *

A considerable number of American workers



—Talburt in Washington News

have adopted the same tactics as French workers who went out on strike in May. They do not leave their jobs, but stage what is known as a "stay-in" or "sit-down" strike; that is, they remain at their posts, but refuse to do any work. During the first eight months of this year, 14 "stay-in" strikes took place in the United States.

* * *

Jesse Isidor Straus, who resigned recently as American ambassador to France, died from pneumonia last week at his home in New York City. Mr. Straus was as popular, and successful, a representative as this country has had in Paris in many years. In addition to his record for public service, he was noted for his generous philanthropies and for his achievements in the business world, having been president of R. H. Macy and Company.

THOUGHTS AND SMILES

A veteran Arctic explorer says that Eskimo women are the most contented in the world. Well, what woman wouldn't be contented, if her husband always brought home the dinner wrapped in a new set of furs? —*Boston HERALD*

Western New York orchards plan to can more apple-sauce this fall than ever before; perhaps the first serious attempt to salvage anything from a political campaign. —*Chattanooga TIMES*

About the only thing to be said in favor of the war in Spain is that to date no enterprising manufacturer has sponsored a broadcast of it. —*Wichita EAGLE*

History shows us that the great danger to the world is not in its dictators, for dictators always destroy themselves. The danger lies . . . in the lack of interest on the part of people who should be most concerned with public affairs.—Dr. William M. Lewis, president, Lafayette College

Another thing that encourages transatlantic flights is the fact that the flyer knows that no matter where he comes down he will land on page 1. —*Washington Post*

Of all the evils of government, the one that's greater than any other is partisanship. Political jobs have been the ruination of many great statesmen.—George W. Norris, senator, Nebraska

A commentator suggests that politics is not unlike a prize fight. With the important difference, however, that neither party is penalized for hitting below the corn belt. —*Hartford DAILY COMMENT*

Not only do some of the trailer families figure to escape taxation on the road, but the wolf may get tired of running. —*The (Ga.) CONSTITUTION*

The real test of civilization is the proper use of leisure, just as the use of one's diversion is a true key to the character of a man.—Professor William Lyon Phelps

Wood may be turned into food in Germany, so we assume that warm-over foods will consist of chips from the old block. —*Boston TRANSCRIPT*

Both parties will make numerous radio appeals to bring out the vote. It sounds like a great way to get the people out of their homes. —*LIFE*



Historical Backgrounds

By David S. Muzzey and Paul D. Miller

The Basis of American Foreign Policy

THROUGHOUT our entire national history, no principle has become more firmly entrenched in the minds of the American people than the one upon which our entire foreign policy has been based; namely, that we should avoid entangling alliances with foreign nations. In this respect, the United States has been a great exception to the practice of nations, for, from the earliest times, nations have lined up with one another to promote their various interests. If we are to seek the foundations of this policy, we must turn back to the days preceding our independence, because the enunciation and acceptance of this policy was the result of a long evolution. It is important that we do this, for the same problem that has confronted the nation time and again in its history has, in a slightly different form, arisen in our own time, and is very much in the forefront of popular attention today.

Colonial Experience

The seeds from which this policy sprouted were sown long before George Washington, in his Farewell Address to the nation, eloquently exhorted his country-

men to refrain from forming alliances with foreign powers, alliances that would "entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice." Back in the colonial times, the people of this country had had a taste of the consequences of close political ties with the old world. For every time England became involved in a war on the European continent, the colonists were dragged into it. In most cases, the colonists had no conception of the issues at stake, and even gave names to the wars which revealed their ignorance of the conflicts. Thus they called the War of the Spanish Succession "Queen Anne's War," and the War of the Austrian Succession "King George's War."

Although the implications of these early wars may not have been fully appreciated by the majority of people, it is nevertheless true that certain of the more clear-sighted expressed sentiments identical to those of the Farewell Address two decades before George Washington retired to Mount Vernon. Thomas Paine, in his *Common Sense*, published more than six months before the Declaration of Independence, expounded this principle in unmistakable terms. "Any submission to, or dependence on Great Britain," the famous pamphleteer wrote, "tends directly to involve this continent in European wars and quarrels; and set us at variance with nations, who would otherwise seek our friendship, and against whom we have neither anger nor complaint. As Europe is our market for trade, we ought to form no partial connection with any part of it. It is the true interest of America to steer clear of European contentions, which she never can do, while by her dependence on Britain, she is made the make-weight in the scale of British politics."

It is perhaps significant that the immediate cause for the adoption of the policy of nonentanglement was the only alliance into which this country has ever entered, the treaty concluded with France signed in 1778, which brought France into the American Revolution as an ally of the Americans. This treaty was the decisive factor in determining the outcome of the war for independence; without France's assistance, military and financial, the Americans could never have emerged from the war victorious. And yet, it was this very "entangling alliance" that proved embarrassing to the new nation.

The fateful decision had to be made when

the French Revolution broke out and France became involved in a war with England. Were we as a nation bound by the treaty of alliance to help France as she had helped us a few years before? By the terms of that agreement, we had pledged ourselves to defend the French islands in the West Indies and to allow French ships to use our ports to bring in whatever ships they captured from the enemy. At the time, there was strong pressure among large sections of the population to adhere rigidly to the letter of the treaty, due not so much to a desire to fulfill a treaty obligation as to assist a people struggling for its independence. Washington, however, made a clear-cut decision by issuing a proclamation of neutrality and declaring that it was the policy of this government to remain aloof.

Substantially the same position was taken by Washington's successors. Thus we find Jefferson writing in 1823 as follows: "I have ever deemed it fundamental for the United States never to take an active part in the quarrels of Europe. Their political interests are entirely distinct from ours. Their mutual jealousies, their balance of power, their complicated alliances, their forms and principles of government are all foreign to us. They are nations of eternal war. . . . On our part, never had a people so favorable a chance of trying the opposite system, of peace and fraternity with mankind and the direction of all our means and faculties to the purpose of improvement instead of destruction."

From this firm basis, the development of American foreign policy was logical and persistent. Not only did the French Revolution and the Napoleonic Wars lead to the nonentanglement policy, but they enabled the United States to enunciate another important principle, fundamental to our foreign policy, the Monroe Doctrine. They precipitated the revolution of the Spanish colonies in this hemisphere, and enabled another American President to declare that we would view "as the manifestation of an unfriendly disposition toward the United States" any attempt of European powers to extend their system to the American continents. In other words, Europe was warned to keep its hands off the Americas.

Foreign Entanglements

Time and again in our history, the American government has invoked these policies in dealing with foreign nations. Insofar as entering into "entangling alliances" was concerned, the question was never seriously raised until the close of the World War. Our participation in the war and in the peace raised serious issues, however, the most important of which was our joining the League of Nations. Proponents of the League of Nations felt that if world peace were to be preserved, it would have to be based upon a new order of international co-operation, but so deeply instilled in the hearts of Americans was the traditional aversion to foreign alliances that the Senate rejected American membership in the League. So strong has opposition been since that time that no party has dared recommend our joining the League since 1920.

It is important to remember that while our traditional foreign policy has been directed against political entanglement in our relations with other nations, neither Washington nor other statesmen have been opposed to close economic co-operation with the rest of the world. The formula was clearly set forth in the Farewell Address when Washington said: "The great rule of conduct for us, in regard to foreign nations, is in extending our commercial relations, to have with them as little political connection as possible." It is truly one of the big issues of the public life today whether we should pursue a policy of isolation or attempt by co-operation to reopen the channels of world trade, the while steering clear of "political connections."



THE COMPLETION OF THE ATLANTIC CABLE

From an illustration in "How They Sent the News," courtesy Western Union Telegraph Company.

Among the New Books

Sending the News

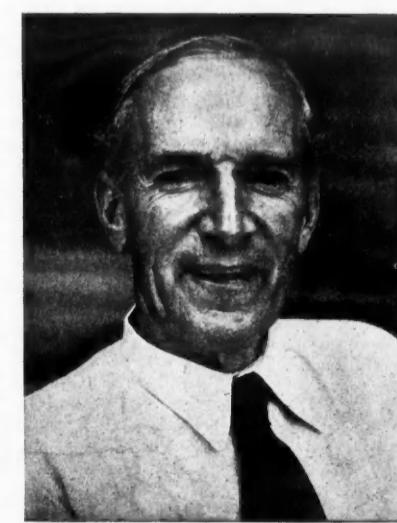
"How They Sent the News," by J. Walker McSpadden. Illustrated (New York: Dodd, Mead & Company \$2.50).

WENTY-FIVE thousand years ago some prehistoric men drew, on the walls of a cave, the story of how they hunted for the mammoth beasts that roamed over southern Europe. It was a message that was not discovered until 60 years ago. Today, what happens in one corner of the globe is known in the other within a few moments, news of the event coming over the radio or appearing in the headlines of the daily paper. It is a long road which man has traveled since he first wrote that hunting message, without words, on the cave wall. During that journey he has experimented with many forms of communication: the crude drums of Africa, booming their signal through the jungle thickness; the pyres of flame on mountain tops; the lonely lighthouses, throwing their gleam to distant ships. All of these ways of sending the news, and many more, are described in this volume in a thrilling group of narratives.

Upton Sinclair

"CO-OP: A Novel of Living Together," by Upton Sinclair (New York: Farrar & Rinehart. \$2.50).

IT MAY be taken for granted that when the historians get around to recording, with detachment, the important social documents of the current decade they will have to throw more than a sidelong glance at this novel by Upton Sinclair, his first in five years. To judge it by any artistic measuring rod would be to miss the point altogether. Mr. Sinclair, has never had any designs upon art. Truth to tell, he has too many firmly held convictions to be an artist at all. He is primarily a pamphleteer. But it is clear, if it needed any further



© Acme
UPTON SINCLAIR

proof, that he is a very convincing pamphleteer, and here he applies his talent to describing how a group of unemployed met the depression through co-operation.

The author assures us that both the characters and the events, however cast in fictitious mold, are real. Be that as it may, his story is vivid, upon occasion arresting, and inspired throughout with a passionate zeal for social justice. Above all, it is a detailed account of how a number of men, living in concrete sewer pipes, their horizon a drab arc of gray cement, pull themselves together.

History of Humor

"In Pursuit of Laughter," by Agnes Repplier (Boston: Houghton Mifflin Company. \$2.75).

IGHTLY though she treads, Miss Repplier does not quite reach the desired goal in her pursuit of laughter. She assures us at the outset, for example, that G. K. Chesterton got at the crux of the matter when he noted, "How high the sea of human delight rose in the Middle Ages, we know only by the colossal walls they built to keep it within bounds." But when she comes to detail her evidence, she is far from convincing us that men during the Middle Ages laughed at all. Doubtless, the task that Miss Repplier has taken upon herself is a difficult one. Laughter and wit are airy creatures. They die the very moment they are born, and when resurrected they are no longer the same.

She is far more successful when she attempts to convey the wit of contemporaries. Here, however, her judgment is not always keen. Without exception she condemns the comic strips, though she prizes the tag "Not for Sale" placed upon the Sphinx in Cairo at the time of a visit by J. P. Morgan.

Law Enforcement

"The Police and Modern Society," by August Vollmer (Berkeley, California: University of California Press. \$2.50).

A BOOK of this kind might well be read with profit by both the public and policemen, for it is a thorough discussion of the many problems that arise in connection with law enforcement and of the difficulties that arise from the standpoint of the offender and the police. The author gives a complete list of the duties of the police—duties so numerous as to make efficiency difficult and public co-operation absolutely essential. At the same time, he is aware that our police departments have not always been run with the greatest amount of efficiency, and he points to steps which should be taken to correct abuses. He is particularly severe in his indictment of the frequent linking of politics and law enforcement, and calls for greater care and a more scientific approach in the selection and training of police personnel.



Al Smith deserts Democratic party and declares for Landon. Will his support hurt or harm the Republicans? Are his charges against Roosevelt and the New Deal justified?

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

John: I don't see how the Democrats can hope to win this fall, because they are so divided. It was a dramatic thing for Al Smith, who was his party's candidate for the presidency only eight years ago, to come out for Governor Landon. None of the former candidates of the Democratic party; neither Smith who ran in 1928, Davis who ran in 1924, nor Cox, the candidate of 1920, is supporting President Roosevelt. Leading Democrats, like former Governor Ely of Massachusetts, former Senator Reed of Missouri, and scores of other Democrats, are supporting the Republicans. Others, like Senator Glass of Virginia, are only halfhearted.

Mary: But you mustn't forget the Republicans who are supporting the President. Just a few days ago former Governor Winant of New Hampshire, at one time seriously considered for the Republican presidential nomination, resigned as chairman of the Social Security Board in order to reply to Governor Landon's attack upon the Social Security law. He is fighting for one of the Roosevelt policies. Not long ago Senator Couzens of Michigan, Republican, came out for Roosevelt. And of course a number of progressive Republicans, like Norris of Nebraska and LaFollette of Wisconsin, are for Roosevelt.

Charles: All of which indicates that this isn't just an ordinary contest between Republicans and Democrats. The fight is coming to be between progressives or liberals on the one side and conservatives on the other. Personally I don't think that liberals are wise when they follow the President. I don't think he's liberal enough. But most of the liberals disagree with that. At any rate, progressives, whether Republicans or Democrats, are lining up with Roosevelt, and conservatives, whether Democrats or Republicans, are going to Landon. Many people have been saying for a long time that it would be a good thing if parties would divide along progressive-conservative lines. Well, it looks as if things were developing that way.

John: It seems to me, however, that the Democrats will lose more this year than the Republicans. The progressive Repub-

licans have really been out of the party for a long time. Most of the Democratic losses have been recent. Surely Smith's coming out for Landon will hurt Roosevelt badly.

Mary: There isn't much that's very recent about Smith's bolt. He's been fighting the administration from the very first. He said definitely last January in his Liberty League speech that he was against the President. Shortly after the national conventions Smith and John Hamilton, Republican chairman, held a conference, and since then there has been no doubt but that Smith would come out for Landon. Personally, I don't think Al's speeches will have any effect. Nobody pays much attention to a sorehead.

Charles: I'm not sure you can dismiss a man like Al Smith by smugly calling him a sorehead. After all, he was a great governor and has made a fine record as a public servant. What he says now is entitled to some respect.

Mary: If he had really presented any arguments, he would have been entitled to respect. But he didn't. He talked about himself all the time. He didn't even mention Governor Landon until the very last sentence. He didn't even talk about the Roosevelt policies. He merely indulged in personalities. He showed that he had a grudge, even if he did say he didn't bear a grudge. He was totally inconsistent. In one breath he said President Roosevelt didn't appoint anyone to office or consult anyone who hadn't been an original Roosevelt supporter. In another breath he complained because the President didn't appoint the old guard Democratic politicians to all the high offices. Smith doesn't like it because the President includes among his advisers men like Secretary Ickes and Harry Hopkins, men who are not and never have been Democratic politicians. The President has tried to secure the services of able and conscientious men, regardless of their politics. All sensible people should approve such a course, but naturally a professional politician like Smith can't see it that way.

John: It seems to me that Smith is consistent and reasonable in all he has been saying and doing. He is a Democrat, and stands for what the party has been fighting for during all the years. The New Deal is something new—as different from the Democratic traditions as from the Republican. The administration is spending money wildly, is putting the government into business, is threatening inflation. Why shouldn't Smith, or any other Democrat, break with the administration on a record like that?

Charles: Of course the Democratic party, like the Republican, has been divided for a long time. A generation ago there were conservatives, like President Grover Cleveland, in the party, and progressives like William Jennings Bryan. The division has continued through all the years. There has been a similar division in the Republican party. There were conservatives like President Taft and progressives like President Theodore Roosevelt, and like Senators LaFollette and Norris. President Franklin D. Roosevelt represents one wing of the party. That's really the way to express it. Smith, Davis, Cox, Ely, Reed, and the other bolters belong to the other wing.



SPLASH!

—Messner in Rochester (N. Y.) Times-Union



WIRED FOR SOUND

—York in Nashville (Tenn.) Banner

will merely be rehashing what all the Republican campaign speakers have been saying since the campaign opened, and they don't seem to be getting very far with it. It seems to me that Smith is sore simply because when Roosevelt was governor of New York, he became popular and was chosen by the Democrats for the presidency four years ago. Smith wanted another chance at it, and has been against his old friend, Franklin Roosevelt, ever since. I don't think the American people like that kind of thing.

John: You are talking now about personal motives, and you can't prove a thing you said. One never can prove what anybody's motives are anyway. The best we can do is to listen to the arguments that are made and then make our own decisions in the light of the facts and logic of these arguments.

A CORRECTION

In the September 14 issue of THE AMERICAN OBSERVER it was stated that Yale University had agreed to permit a commercial sponsor to broadcast home football games and that no other college had ever done such a thing. Our attention has been called to the fact that certain western universities have been commercializing broadcasts of their games for several years. We regret the error.

SOMETHING TO THINK ABOUT

1. Do you think Chiang Kai-shek's policy toward Japan in the past has been a wise one?
2. What indications are there that China is better equipped to fight Japan than she has been in the past?
3. Do you think the Koreans have gained or lost under Japanese rule?
4. What are Governor Landon's principal objections to the Social Security Act? Which features of the present law would he retain?
5. Explain how the old-age insurance feature of the program would work. What substitute for this would Governor Landon make?
6. In the main, do you think that social security measures should be handled by the states or by the national government?
7. How did the American colonists' experiences affect the later development of our foreign policy of nonentanglement?
8. What, in your opinion, will be the effects of Al Smith's denunciation of the New Deal and declaration for Governor Landon?
9. Do you think America's "unfavorable balance of trade" for the first six months of this year a healthy condition? Why?
10. Which of the editorial positions enunciated in the St. Louis Post-Dispatch and the New York Times do you consider to be the best reasoned?
11. What were the terms agreed upon by the seamen and the ship owners in the San Francisco strike?

PRONUNCIATIONS: Francisco Franco (frahn-thee'sco frahn'co), Chiang Kai-shek (chy-ang' ki'shek'-i as in ice), Leon Blum (lay-oan' bloom'), St. Germain (san' jair-men').



A DISINGENUOUS DISCLAIMER

—Kirby in N. Y. World-Telegram.

Social Security Program Is Made A Campaign Issue by Landon

(Concluded from page 1)

Social Security Act establishes an insurance plan to supplement the system of poor relief guaranteed by the first set of provisions. The idea is that the national and state governments, acting together, ought to give assistance to any old people, cripples, children or mothers who are in actual need, but that the security work should not stop at that. The framers of the Social Security Act thought that workers generally, whether they ever expected to be in dire need or not, should be assisted in keeping up insurance during their working years and that the benefits of this insurance should be paid out to them monthly after they reached the age of 65. Beginning next year, workers in practically all occupations, except domestic labor and farm labor, are obliged through the act to begin keeping up insurance policies. They are to pay a certain per cent of their wages each month. They begin by paying one per cent, and the percentage goes up until finally it is three per cent. Their employers pay an equal amount. They keep on paying into this fund whenever they are employed until they reach the age of 65. Then they begin to draw out monthly payments, the amount of the payments or benefits depending upon the amount they have put into the fund.

The amount that anyone can ever receive under this plan is not great. If, for example, one receives \$100 a month for 20 years, at the end of that time he would draw only \$32.50 a month.

The Main Issue

This provision is a subject of sharp controversy. Friends of the measure say that although it will not give anyone a great amount, it is a beginning in the direction of helping workers to provide for their own security in later years. The workers, it will be noted, do not carry these insurance policies by themselves. Their employers pay as much as they do. It is argued that while the states and the national government should help those who are old and in need, whether they have paid in enough



John G. Winant, former chairman of the Social Security Board, makes his first radio address in defense of the principles of the Social Security Act.

money to receive insurance benefits or not, (and the state and national governments do provide that under the other section of the law), it is a good thing to encourage workers to add to their security by keeping up insurance policies, by which they will later get benefits, and by requiring employers to help them keep up the policies.

Governor Landon attacks this part of the law. He says the government should not force workers to insure themselves against poverty and old age; he says that the present law would be a burden upon workers, that it holds out false hopes to them, that it really would give them benefits which are very small. He says that employers would pass on the share they pay

of the insurance scheme, either to the general public or to the workers. If they are required to pay out money to help insure their workers, they will either make up for it by charging higher prices, or by reducing the wages of their workers; hence, in the long run the workers will be obliged to pay the whole bill and they cannot afford to do it. Governor Landon objects so strongly to this feature of the law, that he would eliminate it altogether.

Mr. Winant, answering Governor Landon, says, "Today we know that both the Republican platform and the Republican candidate have definitely rejected the constructive provisions of the Social Security Act, only to fall back upon the dependency dole—a dole with a means test which in my state includes the pauper's oath and disenfranchisement." Mr. Winant means by that that if Governor Landon had his way he would leave only the provisions of the Social Security Act which provide for those who are actually in need; that in order for one to get that kind of relief he must prove that he is absolutely dependent—he must prove practically that he is a pauper. Mr. Winant and other friends of the Social Security Act think that in addition to the poor relief, there should be a system of old-age insurance by which people, whether wholly dependent or not, might in a dignified way provide (with assistance from their employers) to receive regularly a certain sum after they reach old age.

Certain economists who are students of social security problems take a middle ground between those who advocate the present law and those, like Governor Landon, who would scrap the insurance plan altogether. They would keep the plan of old-age insurance, but would make a change in the way the money is collected to maintain the fund. They would have the workers pay a smaller per cent than they are required to pay by the present act. They would have part of the money raised by general taxation—by a direct tax which the taxpayers of the nation would pay.

Unemployment Insurance

3. The third general feature of the Social Security Act relates to unemployment insurance. The national government itself does not provide any means whereby workers may be insured against unemployment—whereby they may receive payments or benefits when they are thrown out of work. It leaves that to the states. However, the government, through its taxing power, practically forces states to fall into line. It places tax on employers in all parts of the country, but if a state passes an unemployment insurance law, the employers in that state are excused from paying most of the national tax. Instead, they pay it to their states. Naturally, therefore, states are going to pass unemployment insurance laws in order to keep the federal government from getting this money instead. Moreover, the federal government agrees to pay the cost of administering the state laws. Before the Social Security Act was passed, only two states, Wisconsin and New York, had unemployment insurance laws.

Under this act the states are not required to have such laws, but they are encouraged to do so, for their citizens have to pay for unemployment insurance whether the workers get it or not. Up to the present time 14 states and the District of Columbia have enacted unemployment insurance laws and are receiving money to carry out these laws from the federal government. It is anticipated that other states will fall into line when their legislatures meet this winter.

In order to see what the adoption of a plan of unemployment compensation means to the people of a state, we may take a typical case, that of Indiana. In that state there is to be an unemployment fund from which benefit payments are made. If a person loses a job after having been em-

ployed 20 weeks of the preceding year, he is to be paid from this fund an amount equal to half his ordinary wages, with the qualification that whatever his wages may have been he is to receive not less than \$5 a week and not more than \$15. He does not receive the benefits immediately upon losing his job, but does get them after two weeks of unemployment. He may receive the benefits for not more than 15 weeks of a year.

The other 11 states and the District of Columbia have programs similar to that of Indiana, though there are differences of detail. Such a plan does not provide absolute security against unemployment for workers. It does not take care of a situation like that which arises in a period of depression, when masses of workers are jobless for months at a time. In such cases the unemployed must be fed or given jobs by state or nation or they must receive private charity. The unemployment compensation plan, however, tides workers over periods of temporary unemployment. Such periods frequently come to good workers even in times of prosperity. The payments help the family out while the worker is required to shift from one job to another in ordinary times.

Winant Replies

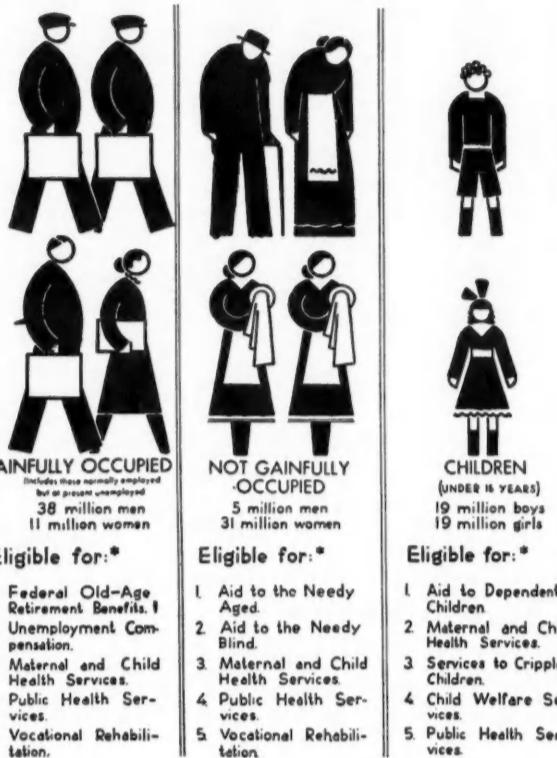
This provision is also a matter of sharp dispute. Governor Landon would scrap it altogether. He would leave the various states free to enact unemployment insurance laws or not, as they see fit, without any pressure from the national government. In reply to his statement to that effect, Mr. Winant says:

"The Republican candidate also criticizes the provisions of the Social Security Act with respect to unemployment compensation. He wishes to use the states as laboratories in which to work out the problems involved in this type of legislation. Either the nominee has not read the Social Security Act or his advisers have misled him as to its essential provisions on this subject. The Social Security Act already provides for the very flexibility and opportunity for experimentation which the Republican nominee says he wants. . . . In short, here we have under the Social Security Act already functioning the very experimental state laboratory method which the Republican nominee advocates."

The argument between the two parties is not over the general principle of security legislation. It is coming to be generally recognized that collective action should be taken to protect old people against the miseries of poverty during their declining years, that similar action should be taken to relieve workers of the terrors of unemployment; that some organized plan should be adopted whereby crippled children, the blind, and mothers and infants without means of support may be assisted.

The need for legislation to give security to the people is greater than it was in earlier years. In the days of our parents and grandparents most of the people lived in the country or in small towns. They worked on the farms or at local industries. Families worked together. Relatives lived in the

THE AMERICAN PEOPLE— HOW THEY ARE AFFECTED BY THE FEDERAL-STATE PROGRAM FOR SOCIAL SECURITY



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same communities. The family was thus able to take care of the older members, the blind, the crippled, the unemployed. Most of the things a family needed were produced either by themselves or their neighbors.

With the coming of large-scale, highly mechanized industry, all this has changed. Families have scattered. Many people move away from the home communities. They go to factory and business centers. For their livelihood they depend upon employment in the factories—upon big, impersonal forces over which they and their friends have no control. When there is industrial breakdown they are helpless. When they grow old, they are displaced by younger workers and many of them have no relatives or neighbors to whom they may turn for support. So we have the fact of mass insecurity, and the growing conviction that the people of the nation, acting collectively, should in some way insure themselves against the hazards of life.

There are two questions which the voters of the nation are called upon to answer this fall: 1. Shall there be a system of old-age insurance in addition to the old-age pension plan which the states, with the help of the national government, are maintaining? 2. Shall the national government put pressure on the states to induce them to maintain plans of unemployment insurance? The Democrats answer both questions in the affirmative; the Republicans answer them in the negative. Both parties agree that the national government shall continue to help the states supply aid to the aged who are actually in need, to the blind, to needy mothers, to dependent and crippled children.

BLACK LEGION CONVICTIONS

A long series of developments which started with the shooting, last May, of Charles A. Poole, a Detroit workman, by members of the secret organization calling itself the Black Legion, came to an important climax when a Detroit jury on September 29 found 11 of the members of this organization guilty of murder in connection with that killing. Seven have been sent to the penitentiary for life; the other four may be. Further prosecutions against members of the Black Legion are promised by the Detroit authorities.